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INTEGRATION OF WOMEN IN THE MODERN BUSINESS SECTOR, BOTH FORMAL AND INFORMAL

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I. INTRODUCTION

I. Sustainable growth in any society would be relatively easy to achieve when all sectors of the population are gainfully engaged in every economic sector. Recent estimates indicate that the women population accounts for about half of Africa's total population. However, the same sources also indicate that a group, women have become increasingly marginalized, especially with regard to trade activities.

2. The integration of women in the formal and informal sectors in recent years has been brought to the fore of the development agenda. To this end, a number of resolutions and strategies have been passed by the United Nations General Assembly and its subsidiary bodies. In the African region, the Arusha and the Nairobi Forward-Looking Strategies for the Advancement of Women have emphatically stressed that "Governments should recognize the potential impact of short-term economic adjustment policies on women in the area of trade and commerce."[1] Governments have been rigid to adopt policies aimed at promoting the full participation and integration of women in modern business particularly in trade and commerce.

3. This paper attempts to assess the integration of women in the modern business sector, both formal and informal. The paper however exclusively deals with women in trade and commerce the sector already penetrated by women. Apart from this introduction

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[1] United Nations, The Nairobi Forward-Looking Strategies for the Advancement of Women, UN 86-44198 April 1986, p 48.

the paper in Chapter II briefly enumerates certain major impediments and reviews the situation of women in the trade sector laying particular emphasis on wholesale and retail trade activities. Chapter III addresses the situation of women in the informal sector drawing examples from two country case studies. Chapter IV assesses the situation of women in the formal sector. Chapter V briefly discusses the issue of access by women to credit and finance. Finally, Chapter VI by proposing some strategies which governments could consider implementing with a view to improving the existing situation and enhancing the contribution of women in the trade sector.

II. AFRICAN WOMEN IN THE TRADE SECTOR

4. In order to understand the integration of women in trade it is necessary to have a brief look into their performance in the whole economic activity. Africa's women population is about half of developing Africa's population (estimated at 557 million in 1989). Women provide about 70 per cent of the labour force in food production activities since they are solely responsible for food processing. However, in overall terms, women make up 47 per cent of Africa's total labour force and contribute two-thirds of the labour hours expended. Largely due to technological impediments, African women spend a greater proportion of their time in food processing, preparation and storage.

5. Women's literacy rate in 1990 was estimated at about 61 per cent lower than that of men. The majority of women that attend institutions of higher learning are clustered in the humanities and arts. In other words, very few pursue studies in engineering or other sciences. Few of the so called educated African women are engaged in farming and trading activities. On the contrary, a great majority engaged exclusively in secretarial activities. The vast majority are dispersed, unorganized, and ill-equipped.

6. Unfortunately as a category of farmers they are the most overlooked by policy makers, extension officers, banking institutions and land reformers because of the erroneous assumption that the only progressive farmer, open to new ideas, is man. On the contrary, African women are economically very active, despite being denied the fruits of development that are never shared equitably. Even technological changes seems to have benefitted the men more while burdening the women further in the agricultural sector. There is ample evidence that from the point of employment trends, the picture is equally dismal. For instance and as Jonathan

Chileshe states, out of the 50.31 per cent of the total economically active population, no less than 20.87 per cent are estimated to be women.[2] Over and above and as the International Conference on Africa heard it said:

> **"When you see a farmer on bended knee tilling land for the family, the chances are 'It is she!'**
>
> **"When you see tractor passing by and the driver waves you "Hi" the chances are 'It is he!'**[3]

7. In analyzing the integration of women in the modern business sector a number of inter-related issues need to be kept in mind. The dual role of women as unpaid farm labourers and family caretakers has rendered them to be over-burdened with many hardships. The meager income earned from trade is used to meet the various demands of the household and therefore little or nothing is left to be invested in expanding trade activities.

8. Women are also handicapped by the difficulty of changing the social, cultural and religious setting in the short run. Traditionally, in most African societies, **"a woman's place is the home"**. This is an overriding principle which has prevented women from assuming more prominent roles in society including that in the trade sector. Somehow, this scenario has began to change in some countries where because of migration of men, perhaps due to political upheavals and wars the female are left to head the

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[2] See Jonathan H. Chileshe, Nothing Wrong with Africa Except..., Vikas Publishing House Pvt. Ltd., New Delhi, 1988, pp. 20-21.

[3] see " The Challenge of Economic Recovery and Accelerated Development", International Conference on Africa, ECA/CERAD/87/31, Abuja, Nigeria, 15-19 June 1987.

household. On the contrary religious practices in some Moslem countries continues to hinder women from greater involvement in commercial enterprises. In other instances it is the legal framework in most African countries that leaves much to be desired particularly where women are concerned in preventing them from owning land nor businesses in their names. For example in Uganda Land titles are almost all owned by men. The traditional and customary laws practiced in most parts of Uganda and some parts of Ethiopia also exclude women from inheriting property when husbands die.

9. Institutional problems such as the cumbersome bureaucratic set up of many African countries discourage budding women enterprises. The long process involved in obtaining business licenses had discouraged many businesses. Government intervention should aim to create an enabling trade environment giving priority to encouraging women in this area.

10. African women (except for a few north African countries) have been engaged in trade activities over a long time, in spite of the level being rather modest in terms of the modern business sector. What is required urgently is ways and means of improving conditions under which women in trade could be made to participate more effectively in facilitating the modernization and monetization of the rural economy. In other words, women need to be assisted to have access to improved technology in order to increase their incomes to be able to expand and improve their trading activities. Granted, women are mainly engaged in trade confined to the informal sector, and the share in total trade turnover is rather insignificant. However, as a group they represent about 50 per cent of the labor force engaged in this sector.[4] Women tend to be

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[4] ECA, The Role and Contribution of African Women in Domestic Trade - E/ECA/TRADE/88/3 16 February 1988, p 3.

predominant in the informal sector because of the ease with which the sector can be penetrated with very little capital.

(i) Wholesale Trade

11. African women are not well integrated in the wholesale trade sector which apart from being a formal sector is wholly dominated by men because of the high capital requirement. Nonetheless, research has revealed among other things that those women that have accumulated enough capital have been able to enter the formal business sector. The majority of this rather limited group are engaged in wholesaling agricultural products mainly vegetables and fruits. The most noticeable recent emergence of women wholesalers in West Africa appeared mostly in Ghana, Senegal, Togo and Cameroon in Central Africa. A growing number of women in East Africa have started to travel to neighbouring countries and abroad, especially to Europe, Asia and the Middle East for the purpose of importing different types of consumer items for sale in the domestic market.

(ii) Retail Trade

12. This is one area where the majority of women are engaged both in the formal and informal trading activities. The emergence of urban town retailers mainly engaged in selling consumer items like clothes and jewellery. On the basis of available data, women handle approximately 80 per cent of the trade in local food items (cereals and spices, fish and fish products), local textiles,

jewellery and local garments.[5] Usually in many African societies and particularly in the rural areas, women are the producers as well as the sellers of these products even though they do not share equally with their husbands the proceeds of these activities.

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[5] See ECA, Mechanisms for Integrating Women in Trade and Commerce, E/ECA/TRADE/89/20, 4 October 1989, p. 2.

III. REVIEW OF WOMEN'S ACTIVITIES IN THE INFORMAL SECTOR

A. General

13. To a certain extent the preceding chapter has introduced the extent of women's involvement in trade. Perhaps it is better to also include a definition of what is generally understood by the term "informal sector". There is no universally accepted definition, even though the one attempted by the International Labor Organization (ILO) seems to be frequently used. The ILO defined the informal sector as a set of economic activities characterized by relative ease of entry, reliance on indigenous resources, family ownership, small scale of operations, labor intensity, reliance on skills acquired outside the formal educational system, and unregulated and competitive markets.[6] While the above definition is fairly comprehensive, yet other definitions are even more explicit by stating that it is " **a privileged sector for income-generating activities, fragmented, heterogenous or homogenous activities in small and medium-sized enterprises, which are obscure, invisible, but able to support an underground economy, whose resources can be tapped for development**"[7]

14. What these definitions make clear is that an informal sector springs from a process of economic demand and supply mechanisms

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[6] Grown and Sebstad, "Introduction: Toward a Wider Perspective on Women's Employment." World Development (Oxford, Published by Pergmon Press) Vol.17,N0.7, July 1989, p.940.

[7] Improving the Role of African Women in the Informal Sector: Employment-Development: African Women and the Informal Sector,E/ECA/ATRCW/RCIWB.4/4, 27 October 1989 pp. 5.

that create gaps or shortages which the formal sector is unable to fulfill. The traders in the informal sector benefit from some of the shortages created in the formal sector. Consequently, informal sector activities are usually able to bridge the gap created in the formal trading sector with a view to satisfying the need of consumers.

15. Describing or analyzing the informal sector is complicated by the thinness of the data base and precludes any meaningful discussion of its size and magnitude. It is also important to underscore that African households in the informal sector and particularly the women within them, show a great deal of resilience and resourcefulness. The informal sector is an important source of income for both males and females that are heads of households. The sector engages relatively more women than the modern sector and, these women provide essential distributive services in trade as well as food preparation. In fact, the informal sector created some 6 million jobs between 1980 and 1985 while the modern sector created only 0.5 million jobs.[8] Indeed, the informal sector should not be considered as a **"cushion"** for women and the poor. Work in this sector is not only tedious but it is often quite unsafe and takes place under unsanitary conditions. Productivity and incomes from the overcrowded micro-enterprises are also low.

16. It was in order to present a better insight of the informal sector, that survey missions were mounted in Uganda and Ethiopia in addition to other studies undertaken by the African Training and Research Centre for Women (ATRCW). As stated earlier, data on the informal sector is very scanty. Against such a backdrop, the

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[8] ECA, Survey of Economic and Social Conditions in Africa, 1987-1988, E/ECA/CM.15/3/Rev.2,New York,1990. p 84.

following summary is provided before proceeding with the analysis in Chapter IV.

B. Specific Country Examples

(a) Ethiopia

17. Ethiopia is mainly an agricultural country with about 90 per cent of the population engaged in this sector. The socio-economic setting varies from one region to another except for one common characteristic of considering women as solely responsible for food processing and care of the household.

TABLE 1
Distribution of Rural, Urban Population by Sex, 1985

	Male	Female	Total	% Female
RURAL	20,074,072	19,871,679	39,945,751	49.74
URBAN	2,183,654	2,525,392	4,709,046	53.62
TOTAL	22,257,726	22,397,071	44,654,797	50.15

Source: Ethiopia, Statistical Abstract 1986
Central Statistical Authority.

18. Data in table 1 reveal that the female population accounted for just over 50 per cent of the total Ethiopian population in 1985 and is slightly higher still than the male population in the urban areas. These trends indicate also that women contribute a substantial proportion of the household's and the community's labour force. Traditionally as well as the laws of Islam and

certain ethnic groups still emphasize that women status is **"dependent on the goodwill of her husband"**[9] Even though The constitution adopted by the National Shengo (Parliament) in September 1987 accorded women equal rights with men. However, these legal instruments have not succeeded to eliminate the resistance built by tradition of women being still considered as inferior to men. The feudal structure of the rural economy is a legacy of the past continues to impose on most Ethiopian women a burdensome subordinate role in economic and political life.

(i) Women and Food Production

19. As in most parts of Africa, **"It is estimated that between 60 and 80 per cent of the total labour expended on farming activities in Africa is contributed by women, and is considered that the situation in Ethiopia is similar."**[10] The majority of the rural women spend a great proportion of their time tilling the land, weeding, harvesting, threshing, processing, storing and marketing farm produce. Women also look after other household possessions such as cows, calves, goats, sheep and poultry. In general women spend time milking cows, preparing cheese and butter for sale and home consumption (with the exception of some parts of northern Ethiopia where this is a man's job).

(ii) Causes of Unemployment in Ethiopia

20. Other than the weak economic performance of the country to absorb an increasing number of the labour force, there are many

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9 UNICEF, Children and Women in Ethiopia: A Situation Analysis, Addis Ababa, Ethiopia, August 1989, p. 46.

10 Elsa Teferi, "Food Security in Ethiopia, A Socio-Economic Overview with Special Emphasis on Women", Addis Ababa, Ethiopia, 1986.

other discriminatory conditions that have excluded the entry of women into formal employment. The discrepancy between the educational system and the skill requirements of the economy and the job preferences of the young, coupled with the low enrollment ratio of female students has practically made employment opportunities impossible. Other causes which contribute directly or indirectly to the growth of open unemployment are demographic and social causes.[11]

21. Entry into the formal trading sector is equally difficult because of the capital requirement and the long and cumbersome process of obtaining business licenses, acquiring land for building houses or business premises to rent. The other constraint emanates from a lack of skills or training to run their business or innovativeness to start new ventures. Consequently, **limitations of opportunities for employment in the formal sector, forces most women to engage more actively in the informal sector.**[12]

(iii) The difficulty of lack of written information

22. At the outset it is perhaps important to point out that there is very little written information on the status of Ethiopian women engaged in the informal trading sector. The analysis that follows is therefore based on observations and personal interviews conducted in writing this paper.

23. From the casual investigation carried out in the**"Merkato"** area (the biggest market area in Ethiopia) and some **"Gulit"** (small open

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11 Prospects for Social Welfare in Revolutionary Ethiopia. Ethiopia, Ministry of Labour in Social Affairs, A.A. February 1983, p. 54.

12 Ibid, p. 56

market areas for various food and consumer items) found in several parts of Addis Ababa, it is quite evident that this is where women predominate dominate in such trading activities. In particular the sale of various processed and semi-processed food items such as Berbere, Shiro, injera (local bread), vegetables, pulses and grains, spices, incense, butter, cheese, oil. Other items include a variety of handicrafts, pottery, etc. Additional activities where women dominate include hairdressing and braiding, weaving, the sale of fire wood and dried animal dung for fuel.

24. In one study of the International Labour Organization (ILO), is estimated that about 70 per cent of the energy requirements of Addis Ababa is met by female fuel wood carriers (Fikert, 1989). Implied by this also is that this line of informal sector activity is another major source of income for both rural and urban women. Others engage in brewing and selling of **Tela, Katikala and Tej** (local alcohol). As a typically informal sector this form of trading is usually done on the premises where the women live allowing them to take care of normal household work at the same time. There is more to the way the informal sector operates. For instance its informality allows for certain social elements like facilitating the sharing of commercial information which is consistent with the formal sector is provided by bodies like Chambers of Commerce and Industry.

The Merkato

25. Virtually all the women, except the young girls that help their mothers tend to be sole bread winners for the family. Their work has no guarantee since it depends to a large extent on the ability to find items to sell and it quite competitive. Entry is easy because of the low capital requirement and there is no need for technological know how since most functions can be operated by

illiterate people. Research conducted showed that there are various levels of informal traders apart from those that pay a minimal fee for the shades and are able ot leave their goods over night is a second level of operators on the sidewalks, on the edges of the street or under the shade of buildings. Those traders carry their goods home at the end of business because they have no place where they can leave them for the night. They are also subjected to usual harassment of policemen from time to time, especially if they are thought to obstruct traffic or when the area becomes too congested. The third level consists of petty traders, mostly peddlers that carry for sale and walk around looking for prospective buyers.

26. The mobility from one level to another is open but it has its own limitations. The dream of every informal trader is to be a shop owner or be in the formal sector, but the prospect at the present time is very dim unless the government gives the women in this sector some backing. The few young women interviewed envisaged to be employed in big shops or as household maids, most of them have no big ambition except to survive each day.

The Gulit

27. Various sizes of Gulit are found around the city of Addis Ababa. The last unconfirmed count estimated that about 48 small, 8 medium and 4 big Gulit markets existed.[13] The Gulit have one major common characteristic, proximity to the dwelling area of the traders themselves. The Gulit traders who are mostly women buy their items (vegetables, spices, grain, pulses etc.) from the

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[13] Genet Pantaleon: Pre-Survey on the Role of Women in Gulit Market in Addis Ababa , 1984 (unpublished) p. 5.

Merkato or wholesale traders which they resell in the Gulit. Other home based work are like tailoring and dressmaking, weaving, preparation of food items such as spices, "kolo" (roasted grain), injera, "shiro" and "berbere" (local food items), honey and jam. Hairdressing by modern style methods is a recent addition in this area. The Gulit is a favourite site for the inhabitants in the neighbored required to buy small quantities. in other words, these neighbored markets vender an important service to their localities and the respective families.[14] It is therefore evident as Genet Pantaleon states that **the motivation for the entry into Gulit is not profit but survival due to the meager income of families that are below poverty line".**[15] As was mentioned earlier mobility from this sector is very difficult because of the low savings and lack of knowledge on how to better themselves.

(iii) Rural Women

28. Women in rural areas are typical example of informal sector trading. According to Elsa Teferi in other words, "a woman's role in marketing is no less demanding in rural Ethiopia. Women usually supplement their family income by selling household produce over which they have control. Their activities being mainly confined to selling butter, cheese, eggs, chicken, garden products . . . as well as firewood."[16] The fact that women engage in this trade has not given them the usual control over the expenditure of the money earned from the transactions. Rather it is their husbands who spend the money to satisfy their needs. It is therefore no wonder that women have limited or no chance of saving enough to be able to enter into formal trading.

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[14] Ibid, p.6.

[15] Ibid, p. 7.

[16]. Elsa Teferi, p.33

(b) Uganda

29. The political and social turmoil that Uganda went through left behind a number of displaced women, widows and single women, with the responsibility of being heads of households. The turmoil also accelerated the influx of women from the countryside into cities. A majority of these women have resisted returning to rural areas when conditions became normal because they know that there are no income and employment opportunities in relation to what obtains in the urban areas.

30. The situation was made worse by the fact that a majority of these women are illiterate, as such, their own option was to join the informal sector in order to sustain their livelihood as well as to maintain their households. [17] There are no reliable statistics that can be used to quantify this sector. However, some of the analysis and research by people like Bawubya make estimates that about 60 per cent of the small entrepreneurs in the country are women.

(i) Activities of Women Engaged in the Informal Sector

31. A survey by UNICEF entitled Women and Children in Uganda, A Situation Analysis, showed that even though most women in Uganda learn various skills, only about 39 per cent of the women surveyed (see Table 2) were engaged in any extra income generating activity.

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[17] M. Bawubya, The Role of Women in the Informal Sector (Unpublished), 1990, p.3.

TABLE 2

Income Generating Skills Among Women

Skill	Knew the Skill	Source of Income
Basket/Mat making	74%	18%
Beer making	49%	18%
Embroidery/Needlework	40%	-
Simple Book-Keeping	21%	-
Sale of Cooked or Fresh Foods	-	23%

Source: UNICEF: Women and Children in Uganda, A Situation Analysis, Kampala, Uganda 1989 p 62.

32. Further more, incomes earned from these activities was fully controlled by the women themselves. Unlike in the case of Ethiopian women in the rural areas. The amounts accruing from these activities were negligible i.e, over 87 per cent of the women earned about 500/- and only about 3 per cent earned above 2000/-. The main constraints identified to practicing their acquired skills was the lack of equipment (42%) and/or capital (18%). Thus even if they had the necessary skills the women did not possess or have access to the means of production to make use of their skills.

33. Ugandan women in the Urban areas trade as Hawkers (buying manufactured goods from wholesalers and retailing them). They sell and process food items (bread and cakes, fruits and vegetables) fresh and smoked fish, make and sell handicrafts (mats, baskets, and jewellery). Some also make clothes for sell. There is also a great number of women traders that sell imported ready-made dresses. The latest addition is of women traders who travel to the Middle East and Europe to import ready made dresses and other consumer items to sale in the Ugandan market. Perhaps this latter group of Ugandan women could be considered as semi-informal by the

mere fact that most trade their goods without a license even though, they pay customs duties at the ports of entry. Some of the results of the research indicated that most women in this field of activity seemed to do quite well.

34. Of the people interviewed in a vegetable market, about 90 per cent were women. Their basic problem was to get enough cash to buy the goods for sale. The way they have been able to go round this problem is through a credit system whereby they receive goods in advance of payment from the wholesalers with the promise of paying back after the goods have been sold. Most of the traders confirmed that they had no access to funds from the commercial banks because they lacked collateral demanded by banks and where therefore unable to set up proper businesses.

(ii) Candle Light Market

35. Apart from the above description of the informal market system is another form known as the "Candle light Market ", which operates only in the evening. Each seller places a candle light in front of the items to be sold since the place is forbidden from being used as a market during the day. The market is a place for a variety of both imported and locally manufactured goods. The most common items are soaps, toothpaste, creams, hair oil, small plastic utensils, food items. As in earlier examples cited. The majority of the traders are women. Additional information came to light during the investigation that most of them are engaged in other informal business activities during the day. For instance, some of the women worked either by selling in the day market areas or as shop keepers or processed the food items during the day in readiness for the candle light market.

(iii) Rural Areas

36. Ugandan women in rural areas engage in similar activities like those earlier described for Ethiopian women in rural areas. The bulk of them are involved in small-scale agricultural activities. Principally growing of vegetables, beer brewing, raising poultry and pigs, making handicrafts and bee-keeping. They then market their products, in the market and the money earned is used to meet household expenses. On the other hand, cash-crop products are sold by the men who are said to keep the proceeds for their own use.

37. According to the Uganda Women Association the number of women in the informal sector has increased considerably. One of the reasons given is that even women in regular in wage employment are involved in the informal trading activities to supplement their income. It is also important to point out that the Government of Uganda and a number of non-governmental organizations (NGOs) in the country are giving attention to the question of improving the role of women in this area, particularly about women in the rural areas. Among some of the mechanisms adopted is providing credit facilities to women through cooperatives and not individually. Some of these facilities give preference to women in the formal sector rather than those that operate in the informal sector.

IV REVIEW OF WOMEN ACTIVITIES IN THE FORMAL SECTOR

A. General

38. Again using the definition of the ILO (1972), the following characteristics of the formal sector seems to describe it better and contrasts it with the informal sector. In other words, the formal sector is estimated by : difficult entry; reliance on oversees resources; corporate ownership; large scale operation; capital intensity and use of imported technology; formally acquired skills blended with expatriates; and protected markets (through legislation and trade licenses).

39. On the basis of a few country case studies this chapter attempts to highlight some of the areas where women are predominantly involved before reviewing their situation in the formal sector. From material gathered it is quite evident that women have come to play an increasing important and dominant role in handicraft cooperatives and in a few other small scale enterprises. Nonetheless it must be understood that there are many handicaps that confront women that attempt to enter the formal trading sector. However, once these barriers have been broken, it was found that women traders quickly became very successful just like their male counterparts.

B. Specific Country Examples

(a) Ethiopia

40. As mentioned earlier, cultural and traditional values have tended to hinder Ethiopian women from participating equally with men in education to a point where women became uncompetitive when

it comes to formal employment as well as in trade activities in general.

TABLE 3

DISTRIBUTION OF TOTAL (FORMAL) EMPLOYMENT BY INDUSTRY AND SEX (ETHIOPIA)

		1970			1981	
INDUSTRY	TOTAL EMPLOYED	FEMALE	PERCENT FEMALE	TOTAL EMPLOYED	FEMALE	% FEMALE
AGRICULTURE*	37,300	642	1.7	78,045	7,014	9.0
MINING & QUARRYING	3,503	15	0.4	194	14	7.2
MANUFACTURING	74,732	19,756	26.4	69,892	19,270	27.6
ELECTRICITY, GAS and WATER	2,287	80	3.5	5,771	292	5.1
CONSERVATION	15,056	106	0.7	28,028	1,067	3.8
WHOLE SALE & RETAIL TRADE	24,433	3,350	13.7	19,065	7,204	37.8
TRANSPORT & COMMUNICATION	17,199	2,397	14.0	22,122	3,457	15.5
FINANCE & INSURANCE	-	-	-	8,530	2,281	26.7
SOCIAL SERVICE	95,225	22,481	23.6	108,947	14,072	13.0
TOTAL	269,685	48,827	18.1	340,594	54,651	16.1

* Only Mechanized farms.

Source: Seyoum Gebreselassie (PHD), Patterns and Problems of Women's Employment in Africa, The Case of Ethiopia, ILO,Addis Ababa, Ababa,1984, p.29.

41. Table 3 above shows the distribution of female employment by economic sectors during 1970 and 1981. In 1970, women accounted for about 18.1 per cent of the total formal employment and of this, 86.5 per cent of the women employed were concentrated in social services and manufacturing; 6.9 per cent in wholesale and retail trade; 4.9 per cent in transport and communications; 1.31 per cent in agriculture; and about 0.41 per cent in construction, electricity and mining. The 1980 figures also show the same trend but here total female employment distribution was 61 per cent in social services and manufacturing, wholesale and retail sale tarde 13.2 per cent,

agriculture 12.8 per cent and the rest were in the other sectors. What should be noted here is the doubling of women in the trade sector from 3350 in 1970 to 7204 in 1981. Analyzing the overall trend during the last 11 years, the table indicated that total employment increased by about 26.3 per cent, but women's employment has increased by only about 11.9 per cent which shows that the opportunities of employment are not shared equally with men. As indicated above, the majority of women are employed in the social services, manufacturing and trade which do not require sophisticated skills. The lack of up to date manpower survey data precludes any meaningful discussion on the integration of women in the modern business sector. Nevertheless, the following table compiled by the Ministry of Domestic Trade for the purposes of this paper sheds light on the number and types of trade Ethiopian women engage in.

TABLE 4
NUMBER OF WOMEN WITH LICENSES IN DIFFERENT SECTORS (1990)

Trade Sector	No.of Registered Women	Percentage of Registered Women/Total
Diary products	8	57
Honey and Butter	98	19
Butchery	99	24
Fruits and vegetables (fresh)	160	40
Pepper and spices	335	41
Fodder	17	50
Photo and Cinematographic Institutions	4	57
Cosmetics	25	53
Petroleum and Petroleum products	186	42
Clothing (ready-made)	488	19
Textile fabrics	266	16
Footwear and leather products	588	48
Foods and other consumer items	2035	30
Supermarket	5	42
Alcoholic beverages and non-alcoholic drinks	143	52

Bakery	292	24
Pastry	31	52
Milling (pepper)	8	73
Food items (home-made)	386	19
Coffee (roasted and milled)	1	100
Pasta and Macaroni	2	40
Marmalade (extraction)	1	100
Sweater and pullovers	397	58
Fuels (of wood)	10	37
Beauty salon	136	76
Laundering	59	57
Snacks	634	33
Restaurants	891	65
Bars	2235	79
Hotels	1403	71
Pensions	191	61
Fruit drinks and juices	1	100
Mills working (not included in other trade sectors)	581	41
Stationers	159	44
Bookbinding	51	70
Printing	2	50
Type training	37	66
Tailoring (instructors)	7	70
Cloth dying and design servicing	10	40
Import	13	19
Export	2	13
TOTAL women with licenses	13233	37

Source: The Ministry of Domestic Trade.

(a) Data as at June 1990.

(b) Statistics was compiled by the Ministry of Domestic Trade, Department of National Trade Registration Service, Addis Ababa, October 1990.

(c) The data was condensed at the request of ECA (Trade Division). The translation of the trade sector has been modified for the purposes of the paper.

(d) The data presented here is a summary of the regional offices submission to the Ministry of Domestic Trade.

Table 4 shows women registered with the Ministry of Domestic Trade in various fields of business and economic activities. The percentages relate to the total number engaged in each sector at national level. Data in Table 4 shows that, the total number of women with licenses stood at 13,233 as at June 1990.
The majority are mainly engaged in the service sector while none cater in the construction and professional business.

42. From the statistics in Table 4, the business licenses owned by women are about 37 per cent of the total licenses issued and out of these 40 per cent are concentrated in the services sector and 15 per cent in food and other consumer services i.e. over 50 per cent are concentrated in services and food sector. Women are virtually non-existent in the construction area or other professional business. Their number is also very negligible in wholesale trade i.e. in export and import business.

43. According to information compiled by the Chambers of Commerce, Ministry of Domestic Trade, HASIDA, AID-Bank and the subsequent analysis it is very difficult to ascertain whether businesses registered under women's name are actually run by women. Before the proclamation of the mixed economy in March 1990, the issuance of trading licenses was restricted per family or individuals. People employed as civil servants were not allowed by law to obtain business licenses since no one was allowed to earn income from one job. Thus many men opened up businesses in the name of their wives, sisters or female relatives. The participatory role of these women was only in signing official documents, since they did not take an active role in the running of the business.

44. For purposes of income generation and job creation, the Revolutionary Ethiopia Women's Association (REWA) is worth of a

mention for two reasons. First, its vigilance in exercising the enforcement of legal right of women including in the trade sector. Second, having opened up some 900 enterprises in different parts of the country where women have found possibilities of being active in communal activities. In collaboration with other training institutions, REWA provides courses in business management, accounting, and other various technical fields. Granted, the number of women engaged in trade is increasing, but it is still quite different to fully assess their participatory role. Nonetheless, it is possible to conclude that in the urban areas in Ethiopia women engage activities in modern trade on their own initiative and enjoy no preferential treatment in obtaining loans or getting business licenses.

(b) Uganda

45. The situation of in Uganda in as far as women's participation in trade in concerned has certain aspects that need highlighting further. For example women experience "sex-based discrimination", especially in gaining access and control to productive resources in terms of credit, capital, land, extension services, technology, vocational training and education according to some of the results obtained in a research by Bawubya. The main beneficiaries of such resources have primarily been men.[18] On the contrary, there is no open decree intended to eliminate women, but in practice it has been found that women are relatively underrepresented in most fields of employment,

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[18] UNICEF: Women and Children in Uganda, A Situation Analysis, Kampala,Uganda 1989. p 63.

except in the trading sector where they out number the other sex. [19]

46. Among some of the most prominent organizations that cater to the special needs of women include:

(i) The Ministry for Women in Development (WID): This is a government machinery charged with the responsibility of overseeing on women activities including mobilizing funding for projects that concern women from different donors. The Ministry ensures that the projects initiated or in which women are participating are projects executed. It also coordinates training programs for women in various fields. Thus it has been able to ensure that there is a focal point for women affairs in every other ministry and a mechanism established with a view to drawing up integrated development plans at the country level.

(ii) The Uganda National Council of Women: This institution coordinates the activities of women NGOs. The council has branch offices in many parts of Uganda. It runs self-help projects for women and also helps them with selling their products, especially food crops and handicrafts.

(iii) The Uganda Association of Women Lawyers (FIDA-U): This is a voluntary non-governmental, non-political and a non-profit making organization. Its aims include creating an awareness of women's rights and obligations. It ensures that women obtain effective protection under the law in terms of marriage, divorce and inheritance of property. FIDA-U provides free legal advice and represents poor women in the country's law courts. The significance of this mechanism is that given the sex-bias

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[19] M.Bawubya, p.3.

referred to above, Ugandan women engaged in trade can therefore rely on the services FIDA-U provides in carrying on their activities.

iv) The Uganda Women Entrepreneurs Association: This is an association of business women in Uganda. It emerged out of the women's consciousness of the difficulties they were facing as women entrepreneurs vis a vis the structure that appeared both in theory and practice to discriminate against them. The women therefore started their own self-help association to help each other setting up businesses.

47. There are other institutions apart from the above that cater to the credit needs of women in Uganda. These include The Co-operative Bank Ltd; the Uganda Womens' Finance and Credit Trust Ltd and The Rural Farmers Scheme (a subsidiary of the Ugandan Commercial Bank). A common feature of these institutions is that they all have a special credit programme for women. This aspect is discussed in greater detail in the chapter devoted to access by women to Credit and Finance.

C. CONSTRAINTS

48. The main handicap preventing women from active participation in most trading activities at country level is that they do not have enough funds or the difficult of finding collateral in order to borrow such funds from banks. The issue of credit is further discussed in the next chapter. However, a few facts need to be mentioned. Take as one such example, the question of land titles which can be used as collateral has been found, at least in Uganda to be are almost exclusively in the hands of men. Husbands are known and usually very reluctant to give their land titles to their wives needing to borrow money. The other barrier to women or any person venturing this type of activity is caused

by scarcity of work places or shops which are very expensive to rent as well as a lack of transportation facilities needed to get to and from these places. Obtaining a business license is another cumbersome procedure because it requires the applicant to present tax clearance and bank statements. These are requirements which ordinary illiterate traders find difficult to overcome and there is no special consideration for women. What is more, the women themselves tend to go into the same line of business because of lack of creative knowledge. As in the majority of African countries, there is a concentration of women in the services sector where the need for sophisticated skills, knowledge or training are very minimal.

49. The high interest rates charged by most financial institutions precludes many women from obtaining credit from the banks, unless they can first assure themselves that their turnover will be considerably high to service the money borrowed. Consequently, most medium-scale operators rely on their own or family resources to start businesses. The fact that about 60 per cent of the small businesses are run by women, it is perhaps safe to conclude that Ugandan women are well integrated into the modern business sector in spite of the above institutional problems. Perhaps if these institutional, cultural and traditional difficulties were made a little easier, many other women in the informal sector could operate more in the modern business sector.

V. ACCESS OF WOMEN TO CREDIT AND FINANCE.

A. General

50. The lack of access to credit is a very serious constraint to self-employment and enterprise development. There is ample evidence to support the view that where there is easy access to institutional credit at reasonable interest rates, women are able to improve their already established business enterprises and to promote new ones. On the contrary, women are not recognized as a strong economic force by the banking institutions. The financial institutions themselves seldom make any effort to encourage the women to make use of them. Financial institutions in the majority of cases do not lay emphasis on domestic trade financing therefore, they have limited sources for loan. These are some of the factors that preclude women from effective borrowing from both formal and informal credit institutions similarly they are unable to take advantage of technical know how.

51. The need for collateral which banks insist upon in order to lend and which most women find hard to provide is quite a major obstacle, especially for those starting in business. As stated a little earlier, this is complicated by tradition and at times legislation in certain African societies that exclude women from owning land and property. Even in rural areas where women work with their husbands in the field, they seldom have access to the income derived from the sale of those cash crops which they could offer as required collateral to banks in order to obtain credit.

52. In countries where married women need the signature of their husbands to secure loans some men unnecessarily hinder their wives efforts and ensure that the latter seldom succeed. The

condition is made worse if the husband is absent over long periods and unwilling because they fear to loose the control they exercise on their wives. Religious and other customary restrictions limits the activities of women to their home only and those who venture into public places such as crowded banks are considered as strictly not for business. Therefore women should be given certain lines of initiative since impalatable images virtually prevents women access to banks and credit. Illiteracy is another drawback to women's development and access to credit. Financial institutions have complicated paper work that is difficult even for those few that are relatively literate.

B The Formal Credit System.

(a) Ethiopia

53. The Commercial Bank of Ethiopia and the Agricultural and Industrial Development Bank (AID-Bank) have stringent collateral requirements. In fact the former requires a collateral of at least twice the amount of the loan requested. It is therefore not surprising that only very few women in Ethiopia can avail themselves of formal institutional credit.

54. The AID-Bank on the other hand gives loans for viable projects. It requires the applicant to put up about 30 per cent of the initial project cost. It is also conditional for married women to have their spouse to co-sign. At the time of writing this study information had come to light indicating that the banks were studying the possibility of starting "Risk Funds" to which informal sector women could have access, especially if they are organized as co-operatives.

(b) Uganda

(i) Commercial Banks

55. The country's commercial banks require land titles as security for lending money. A survey was conducted and found that only 9 % of the women had title rights in their names for the land they farmed. Therefore, the requirement places a severe constraint on the women's ability to secure loans from the country's formal banking system.[20] There is also the disincentive of high interest rates coupled with the fact that the repayment periods are very short, ranging from six months to one year. The process itself also tends to be rather cumbersome. It is not unusual for the process to take as long as one year so that by the time the loan is eventually sanctioned the money's purchasing power would have been considerably reduced due to inflation. In addition many women in Kampala do not have sufficient accounting background to understand the workings of the bank.

56. The latest developments aimed at enabling women have access to credit is a scheme for "rural farmers" which was designed to give priority to women that cultivate their own land. It is expected that many rural women will benefit from this scheme.

(ii) The Co-operative Bank Ltd.

57. The Co-operative Bank has a network of branches in most districts. The scheme operates from funds provided from donor agencies and its share holders. The bank has a lending scheme specially designed to assist women co-operatives (30 people minimum) who must be registered with the Ministry of Co-operatives. The loan is free from collateral and the scheme is designed to assist those in the rural sector.

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[20] UNICEF, p.63.

(iii) The Uganda Women's Finance and Credit Trust Ltd.(U.W.F.C.T)

58. It is an affiliate of Women's World Banking. This organization is the only one that caters mainly to the micro-business women, the uneducated and the disabled, low-income and disadvantaged women who presently can not have access to services of formal financial institutions. The Trust does not require the formation of a co-operative or a collateral. Members are only required to open an account and hold a pass-book. The loan given is in the form of a package i.e. credit, training, and technical assistance, in order to ensure prompt repayment and to enable women to use the money for their projects wisely. The training consists of bookkeeping, accounting and technical advise about their projects and how to handle money.

C. The Clandestine Credit System in Africa

59. The prevalence of excessive rules and regulations in the formal sector is what has perpetuated and encouraged the enlargement of the informal credit system. In Ethiopia for example, 80 per cent of the credit requirement of the rural people is covered by the informal sector.[21]

60. A non-institutional form of group pools members' resources together is known as **"EQUIB"** in Ethiopia , **"SUSU"** in Ghana, **"SANDUK"** in the Sudan, **"TONTINES"** in Cameroon and parts of West Africa and **"HAGBAD"** in Somalia. This type of revolving funds is among the best-known informal financial mechanism in Africa. It has proved successful because it is based on mutual trust among the group members. It derives its strength partly from better

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[21] Tsehay Tsegaye, "Suggestions for Mobilization of Resources and Development of Credit Programs for African Women", UNECA/ATRCW, AID Bank, Ethiopia. p.5 (unpublished).

elements of customs and traditions of the society wherein default or failure of payment what is owed is rare because such a person looses face in the society she/he lives in. These revolving funds meet to a very large extent the various needs of the group and some, have used them to open or expand their businesses. The capacity of the amounts borrowed depends upon the income of the individuals to repay. The existence of this system shows that there is a void in this area which can be provided by regular or formal financial institutions and banks.

61. In conclusion, African governments need to take appropriate action to remove the bottlenecks faced by financial institutions so that their operations could help those sectors of society that are handicapped. Banks and financial institutions should be available in all parts of the country and attempt to modify their other stringent rules to enable operators in the informal sector to have access to credit. In the long run and with more exposure people will be sensitized to save and become familiar with banking procedures. Perhaps the example of Tanzania where Banks have special "windows" for women charging them lower interest rates than men could be emulated in other countries. Similarly, examples of some NGOs as Uganda that started loan schemes geared to cater for women alone. The Women's World Banking - with affiliates in a number of African countries can be called upon to undertake or assist in bringing this about. Nevertheless, concerted effort by governments is necessary.

62. Perhaps it is worth recalling here that efforts are being made by the ECA/ATRCW to implement a project entitled "Increasing Women's Access to Credit Through Training in Management and Credit Techniques" in three states (Ethiopia, Rwanda and Uganda). The project started by undertaking an analysis of the situation of women's entrepreneurship development in each country with a view to ascertaining why women lagged behind. From its findings,

the project came up with a proposal to tackle some of the problems through providing a guidance: **"Guide for the Promotion and Development of African Women Entrepreneurship and Their Access to Credit "** This experiment acknowledges the fact that it is not a panacea. It is stated in the guide that it does to all the problems that women face in this sector. However, it provides hope for those able to benefit from new ideas and opinions regarding effective ways of solving some problems.

VI RECOMMENDED POSSIBLE COURSE OF ACTION

63. To a large extent, the Strategies for revitalization, recovery and growth of Africa's trade in the 1990s and beyond[22] do give a number of possible measures that need only be adopted and implemented all the same measures and proposals to be undertaken by African governments to integrate women in the modern business sector could include:

(a) Provision of adequate support to women in trade in order to ameliorate the legal, social, economic, religious and cultural constraints that have been major impediments to the effective participation of women in this sector as well as in small-scale and agro-industries. Furthermore, mechanisms for the co-ordination of the fragmented entrepreneurial skills, both for rural and urban women, will be vigorously pursued. Support in the provision of market sheds, access to raw materials, training and up-grading of skills in small-scale and agro-industries, deserve immediate attention;

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[22] ECA, Strategies for Revitalization, Recovery and Growth of Africa's Trade in the 1990s and Beyond, E/ECA/TRADE/89/25/Rev.5

(b) Improving the weak and fragile financial base through appropriate policy measures, including providing adequate collateral in order to enhance women's access to credit and capital. In this respect, a new framework will need to be devised to enable banks to shift their emphasis from automatic collateral requirements to criteria of profitability of the investment;

(c) Improving the environment for small-scale women traders, business enterprises, small-holder and medium-scale farmers and producers of marketable goods, including handicrafts;

(d) Identifying economically viable projects to be developed into self-sufficient profitable entity through good management and access to science and technology;

(e) Encouraging women to establish financial co-operative enterprises which will allow them to "pool" their resources for investment, improve their collateral and also spread the business risks among its members; furthermore, improve women's access to credit by creating within existing financial institutions, "special windows" that can provide financial services to women.

Initiatives to be taken by women

64. The women on their part and as already is happening in some countries should help each other to create an awareness and venture out into business. The following suggestions can be considered:

(a) women should aspire to be self-reliant when they decide to start a new business, and only seek advice from quarters likely to be sympathetic;

(b) women must be prepared to take risks in business like any other entrepreneur and not fear to face up to competition. Neither should they shun new ideas nor resist change;

(c) women must venture into non-traditional trade activities and not continue to confine themselves only to traditional women lines;